

## 2019 - 2020 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
41	14	A	1

**Budget Action Title:** Pass Reso. 31848 adopting revised financial policies for the Cumulative Reserve Subfund

Ongoing: Yes

Has CIP Amendment: No Has Budget Proviso: No

Primary Sponsor: Budget Chair

Councilmembers:

Staff Analyst: Erik Sund

Council Bill or Resolution: 31848

Date	Total	BC	SB	TM	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

### ***Budget Action description:***

This green sheet recommends adoption of Resolution 31848 amending the financial policies for the Cumulative Reserve Subfunds (CRS). The CRS primarily fund maintenance and development of the City's general government capital facilities and infrastructure. CRS is divided into two accounts: the Capital Projects Account and the Revenue Stabilization Account.

The Revenue Stabilization Account (RSA or "Rainy Day Fund") provides a cushion for the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City's ability to maintain services.

The Capital Projects Account (CPA) provides support for an array of capital projects, with a primary focus on maintaining and rehabilitating existing City facilities. Two important revenue sources for the CPA are the Real Estate Excise Taxes (REET I and REET II). The proposed policy revisions affect the CPA in two ways:

1. Resources outside of the CPA may be included in meeting the minimum funding for asset preservation, which is 65% of the average annual cost of preserving City facilities, excluding transportation and utility assets. (Current policy requires CPA funds only be used to satisfy the target.)

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2. Expands the permitted use of CPA revenues to pay for debt service on "Public Safety facilities" generally rather than the "neighborhood stations program of the Fire Facilities and Emergency Response Levy" only.